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HISTORY BEFORE IT HAPPENS®

SPECIAL EDITION

ECONOMIC EPIDEMIC

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COVID-19: SPECIAL TREND REPORT

THE “GREATEST DEPRESSION” HAS BEGUN

The coronavirus hysteria sweeping the globe has changed the course of history.

Politicians around the world, a.k.a. the supreme commanders of the human race, have shut down the global economy... crashing it.

Nothing close to this has ever been witnessed in the history of the world.

It is promoted by the media and accepted by the masses as the proper thing to do… without a mere mention of the consequences, which will be far more deadly than the virus.

A gaggle of narcissistic, psychopathic, pathological freaks and fools: From Presidents and Prime Ministers to the little boys and girls glorified with titles of

"Honorable" playing Governor, Mayor, etc. giving executive orders to shut down businesses, close the schools, stay in your house!

Bringing in SWAT teams to keep you off the streets… bringing in the National Guard to take control.

Heil Hitler. Salute Stalin. March to Mussolini. Obey Mao… Merkel, Conte, Johnson, Sanchez, a Cuomo… follow their orders.

The people obey. If you are not going along with them, you are abnormal for not jumping on the bandwagon.

You are a betrayer if you don't believe your commander.

What will the masses do when a real crisis breaks out, such as a deadly terror strike or war?

By their deeds you shall know them.

Will they run to the store to buy toilet paper before they run for their lives?

The "Greatest Depression" has begun. Main Street and Wall Street have crashed.

The world is out of work and the equity markets are out of money.

This simultaneous double-blow has never happened before.

Worse Than Before

When the Great Depression hit in 1930, there were 2 billion people on the planet.

In just 90 years, we added another 5.7 billion people… many of whom are already out of work, looking to escape their countries that are wracked by war, poverty, violence, and corruption.

Thus, the immigration/refugee crisis currently existing will escalate into an international catastrophe.

The existing homeless crisis will also rapidly escalate, flooding the streets across the globe with out-of-work and nowhere-to-go people of all ages. And, tens of millions of human jobs will be lost as robotics and AI rapidly enter the workplace.

On the economic front, the global debt bubble, well above $250 trillion, will crash countries and companies, bringing down the multinationals to the mom-and-pop businesses.

And, with national debt burdens already in the hundreds of trillions, as tax revenues plummet, so, too, with country's economies, whose bonds will be worthless and with loans they will default on.

On the personal level, the debt burdens are far beyond what could have been imaginable 90 years ago. Student debt, credit card debt, mortgages, car loans, etc.

For example, in the United States, some 60 percent of Americans have less than $1,000 in savings and 40 percent don't have $400 to cover an unexpected expense.

And, with 78 percent of workers living paycheck to paycheck, now out of work as a result of governments closing down business across the nation, they are going into the "Greatest Depression" much deeper already deep in debt.

FANNING THE FEAR

In a world of 7.7 billion people, as we go to press, some 7,866 people have died from the coronavirus.

In the United States, with a population of 327 million, so far 90 people have died from the virus.

According to reports, almost everyone who comes down with virus experiences only mild symptoms such as fever and cough and recover fully. As evidenced by the 22 coronavirus deaths in Kirkland, WA, the highest number in any U.S. city, the vast majority were elderly residents of a nursing facility who were already suffering from chronic health problems.

Dr. Otto Young, an infectious disease expert at UCLA, commenting on the dramatic response to the coronavirus said, “I think a big part of it is fear of the unknown. The enemy you don’t know is much scarier than the enemy you know.”

Yet, in this age of advanced science and medicine, this “fear of the unknown” has led the President of the United States and governors in dozens of states to declare national emergencies, which are not based on hard science or evidenced-based data.

If fact, this is a global epidemic of “leadership sickness.”

Back in the U.S.A., for example, governors are issuing different levels of states of emergency with inconsistent rules.

They have given no proof that many of the extensive bans being ordered on public activities have been shown to be effective. While they have closed down businesses and banned small numbers of people to gather, imposed “social distancing” rules… in a total contradiction, going to work in an Amazon warehouse with thousands of workers is not considered a health threat by them.

Different Day, Different Rules
Depending on the state-of-mind of the rulers of the states, the rules they make up are fabricated:

- Last week, the governor of California declared that no more than 250 people were allowed to gather, “Unless organizers could ensure at least six feet of distance between attendees.”

- In Oregon, the same 250-person limit was imposed, but Governor Kate Brown said it would not apply to stores, shopping centers, or schools.

- In Ohio, the limit of any gathering is 100 with many exceptions including weddings, funerals, and religious gatherings.

- In Seattle, the city streets are eerily silent during the day after Governor Jay Inslee's emergency proclamation that limits public gatherings to under 250.

- In New York, Governor Andrew Cuomo announced a ban on crowds of more than 500. And, last Tuesday, he ordered the National Guard to Westchester County where about 100 cases were reported, stating, "This is unique in the United States of America, we haven't seen this anywhere else. Think about it, New Rochelle has double the cases of New York City, it's true, it's a phenomenon."

  Cuomo also banned visits to nursing homes except for those seeking to visit a very sick or dying loved one as long as they wear protected gear.

- In New York City, Mayor Bill de Blasio declared a state of emergency, stating, "We are getting into a situation where the only analogy is war."

- In the New Jersey city of Hoboken, across the Hudson River from Manhattan, the mayor ordered a curfew and the shutdown of restaurants and bars just days after the city had its first case of coronavirus. The state's governor, Phil Murphy, revealed that a statewide curfew was being considered, among other options.

This is just some of what happened in the past week. Now, it's a whole different dynamic. Essentially, most of America and much of the world is in lockdown.

Global Panic

Just over a week ago, Prime Minister Giuseppe Conte imposed a quarantine on the northern region of Italy, which severely restricted the movement of over 16 million people and forced the shutdown of all retail stores, with exceptions limited to grocery stores and pharmacies. The shutdown included restaurants and bars.

Later in the week, Mr. Conte extended the quarantine to the entire country. Of Italy's 60 million people, some 2,100 have died so far from the disease. Again, most were elderly and ill before being stricken with the virus. And, it should be noted, some 23 percent of Italy's population is over 65.

The average age of those who died in Italy was 81, and many suffered from pre-existing health issues, according to a BBC report.

Yet, the country is in total lockdown with people not allowed on the streets unless they have passes from the government.

Totally ignored in the mainstream media, which has continually stoked the flames of fear since the virus broke out in Wuhan, people in their 20s and 30s had a death rate of 0.2 percent, according to Worldometers, an aggregator of global reports related to coronavirus.

The Consequences

In Italy, most of the country's economy consists of small and mid-size businesses, family-owned, which do not have the reserve capital of large corporations. Without substantial government assistance, many of these smaller businesses likely will not survive the massive shutdown of the economy.

Again, making up a date with no data to substantiate it, the Prime Minister dictated the national quarantine will continue until at least the beginning of April. No public events are allowed, and people have been ordered to maintain a "social distance" of at least three feet.

On Saturday, Spain became the second European nation to impose severe restrictions. Prime Minister Pedro Sánchez, describing his orders as "drastic," imposed a nation-wide lockdown that prohibits citizens from leaving their homes unless they need to shop for food, go to a medical center, go to a bank, or travel to care for a young or elderly person.

Throughout the country, all restaurants, bars, schools, and hotels are shut down. In France, one of the few signs of protest against the global shutdowns taking place occurred on the streets of Paris over the past weekend, when Yellow Vest protesters staged their latest weekly protest.

The protest took place despite a ban imposed on Friday against any gathering of more than 100 people. Police responded by firing tear gas, which escalated into confrontations between the police and demonstrators.

While President Emmanuel Macron addressed his country last Thursday to detail school closings and the need for “social distance,” he allowed local elections to take place on Sunday.

Polls did not paint a positive picture for Mr. Macron’s party. Since he has ordered the shutdown of schools and universities and public transportation is hampered by fears of coronavirus, turnout will likely be much lower than normal.

As of last weekend, 79 people have died of the virus in France and 3,600 have tested positive.

Norway, with a population of 5.3 million people, is in total lockdown despite the fact that at the time it was ordered, only one Norwegian had died from coronavirus. Since then, two more have died.

In declaring the state of emergency last Thursday, Prime Minister Erna Solberg, declared, “These measures are the most dramatic ever taken in Norway in peace time. It will give a different life situation for everyone in the country.”

In Israel, where among eight million citizens only 200 have tested positive to coronavirus and, to date, no one has died, the government issued an edict prohibiting the gathering of more than ten people, closing down schools, restaurants and cafes, and allowing the government to track the phone calls of any person known to test positive.

Religious services must abide by the 10-person maximum rule, and all participants must “social distance” themselves at least two meters apart. There is a total ban on visiting residents in nursing homes.

No Need for Proof or Evidence

Is there proven science or past history to show these extensive bans on public activity are the most effective strategy?

Dr. Angela Rasmussen, a virologist at Columbia University, said that while many of the restrictions could be effective for people at high risk, such as the elderly and sick, in general, bans on public gatherings have not proven effective at limiting viruses.

Asked about the extreme measures being ordered by officials around the country, she responded, “I just don’t think that’s practical.”

As for the extensive travel bans, such as the ones imposed by President Trump and leaders around the world, the World Health Organization has issued reports showing that in past epidemics, government bans on travel are most often ineffective and economically costly for all sides.

Tedros Adhanom Ghebreyesus, Director General of the World Health Organization has stated, “Travel restrictions can cause more harm than good by hindering info-sharing, medical supply chains and harming economies.”

TRENDPOST: *This is a small sampling of the measures taken by governments around the world to address the coronavirus.*

Considering how few have died from the virus and their age and health conditions, it is, as we see by the facts and the numbers, “Government Pandemonium” – not a deadly COVID-19 Pandemic.

As the evidence proves, with each passing day, politicians are making up what to do and how to do it without ever assessing the dire implications of their decisions or quantifiable data to support their actions.

School’s Out

Nations around the world are closing down schools, despite the fact that of those who have been infected by the virus so far, about 10 percent are in their 20s, 1.2 percent are in their teens, and less than 1 percent are ages nine or less. Yet, as of last weekend, schools were shut around the world.

Despite the fact that the elderly are far more vulnerable to the coronavirus than young school children, as well as other evidence that closing schools is not an effective measure for dealing with viruses, the schools are emptied out.

Indeed, Dr. Jennifer Nuzzo, senior scholar at the Johns Hopkins Center for Health Security, has noted, “There is no clear evidence that such measures will slow this outbreak.”

Again, lacking quantifiable data for closing the schools, there is no consistency in how long they should stay closed.

Making Up The Numbers

Despite only 12 people testing positive for the virus in Maryland and three already fully recovered, last Thursday, Governor Larry Hogan shut down schools for two weeks and banned gatherings of over 250 people.

In the state of Washington, Governor Jay Inslee ordered schools closed until 24 April.

On Friday, Governor Tom Wolf of Pennsylvania announced all schools K-12 will be closed for ten business days beginning yesterday.

Governor John Bel Edwards of Louisiana announced the closing of schools until 13 April.

Governors of Florida, Virginia, and Illinois are closing schools in their states until 30 March.

Governor Jim Justice of West Virginia, while stating schools would close, refused to say for how long: “I'm closing the schools. That's all there is to it.”

As for colleges, over the past week, some 300 U.S. universities closed their doors and issued plans to shift classes online. They intend to use a number of digital tools and platforms so students can access research materials and communicate online with professors.

TREND FORECAST: *Online Education, or, as Gerald Celente wrote in his 1996 bestselling book, Trends 2000, “Interactive U has now officially become the learning system of the 21st century.”*

In 2020, about one third of undergraduates are enrolled in online classes. Thirteen percent are learning exclusively online. Online course-taking has increased for 14 consecutive years.

STRANGERS NOT WELCOME

As of yesterday, 27 countries have either completely or mostly shut down their borders.

The European Commission has announced plans to ban all non-essential travel for 30 days throughout the entire European market (the Schengen Area). Ursula von de Leven, the Commission President, stated she was asking leaders of all the European countries to impose the border restrictions as of today.

Russia, which has a long border with a number of European countries where the coronavirus has been confirmed at a higher rate than anywhere other than China and Iran, has also ordered its borders closed.

As we go to press, other countries, which have either entirely closed their borders or banned flights and immigration from the EU, include Turkey, Libya, Ghana, Morocco, Tanzania, Tunisia, Ghana, Kenya, Tunisia, and Haiti.

Canada has closed its borders to “all foreign nationals” except Americans and even will prohibit any of its own citizens travelling abroad from returning if they exhibit any symptoms of the coronavirus.

TREND FORECAST: *As we go to press, leaders of European Union countries have agreed to close the EU’s external borders in a new effort to slow the coronavirus pandemic.*

This is the first step in forcing a new global closed-border policy. Building walls to keep foreigners from flowing in will no longer be a divisive political issue.

As the global economy plunges into the “Greatest Depression” and people do what they can to escape violence, corruption, crime, and poverty, borders across the globe will be tightly shut for decades to come.

BUSINESS CASUALTIES

Early estimates have forecast that the coronavirus will cost the global economy at least $2.7 trillion, a figure that seems more and more conservative as the panic grows.

The losses will be spread across all sectors in virtually all countries. Among the hardest hit:

Airlines. Millions of flights already have been canceled around the world. Carriers' stock prices, already suffering, sank further after the U.S. restricted European travelers' entry last week. The stricture is expected to impact up to 35,000 flights and 800,000 travelers per week.

Airlines' stock shares have tumbled 10 to 30 percent during the virus panic.

To hoard capital, airlines have put off hiring workers and buying new planes. The virus is expected to cost the industry at least $100 billion worldwide.

Aircraft makers also are in a tailspin, with orders for new planes canceled or postponed.

The virus crisis has compounded troubles for Boeing in particular.

It had arranged a $12 billion loan to deal with the grounding of its 737 Max airliner after two fatal crashes. The company is paying airlines $18.6 billion to compensate them for the loss of the Max planes' use and continuing to pay employees even though they're not building new planes.

Creditors increased the loan to $13.1 billion, and Boeing has now used all of it.

Boeing's shares closed down 18 percent last Friday, the biggest drop since 1980. Airbus stock fell 4.4 percent.

Automakers. China's car sales dropped 80 percent in February compared to February 2019, a year which saw the continuation of a sales slide that began in 2018. Ford and General Motors have moved aggressively in the Chinese auto market but both saw sales fall in 2019.

Kia stopped its South Korea production lines after key parts from China disappeared. General Motors says it will run out of parts from China no later than the end of this month. Mexico, where 3 percent of the economy is grounded in vehicle production, expects to shutter its plants by April. Fiat Chrysler and Volkswagen have temporarily closed plants in Italy.

Events. Seasonal fairs and festivals, trade shows, and similar events create millions of temporary jobs and can be a staple of one-person businesses such as crafting and food carts. From St. Patrick's Day parades and the Big Ears Festival to the Mobile World Congress, annual traditions are being canceled wholesale, lopping billions from the global economy.

Home sales. The lowest interest rates in memory are enticing homeowners to refinance their mortgages and take home improvement loans, but sales of new homes are falling below the real estate industry's expectations. Virus-produced economic uncertainty already is making people loathe to make large, long-term financial commitments.

Also, after the housing crash of the Recession, developers built more apartments and condos and fewer single-family homes. But rents often are high compared to younger adults' incomes, making it hard for them to save for a down payment.

Analysts say this resulted in about 700,000 fewer home sales through 2016.

About 40 percent of annual home sales take place in March through June, but fear of COVID-19 is keeping potential buyers from open houses and venturing into strangers' homes, analysts say.

Hotels. Mass cancellations of airline flights, trade shows, and festivals and events has led to hundreds of thousands of lost room-nights in the hotel industry.

The Hilton hotel chain has reported the virus will carve as much as $50 million from this year's earnings. Marriott said a main revenue stream in its Chinese hotels fell 95 percent last month.

Ryman Hospitality Properties, which owns hotels and Nashville's Grand Ole Opry, saw 77,000 room reservations canceled during the week of 9 March, costing it an estimated $40 million in revenue. The company's $2.5 billion in debt may now be downgraded in quality.

Hotel chains' stock prices and share values in hotel-oriented REITS are down 11 to 22 percent over the last two months.

Restaurants and bars. France's order closing "non-essential" businesses has shuttered all eateries except for take-out orders. Israel has banned gatherings of more than ten people, effectively closing restaurants, taverns, and nightspots. Hoboken, New Jersey, has locked down restaurants and bars. New Jersey's governor is considering a similar ban statewide.

New York State has ordered restaurants to seat fewer patrons, so there can be more distance between people. A Seattle restaurant chain is closing 12 of its 13 locales because business has fallen by as much as 90 percent.

Across the U.S., reservations at high-end restaurants are down 20 percent, with the loss reaching 60 percent in virus hotspots.

Italy could see a 75-percent cut in sales by restaurants and hotels, which employ 1.7 million of the country's people.

"It is the service industry that's being completely crushed," said consultant Bruno Rosella. These sales "are not being postponed but lost."

In New York City and elsewhere, Chinese restaurants are being hit especially hard as patrons worry that employees and ingredients may carry the virus.

Retailers. Walmart, Publix, Stop & Shop, and other retail chains have shortened their hours so employees have time to clean stores and restock shelves. Walmart has said employees' hours will not be cut.

Clothing chains Urban Outfitters and Patagonia are closing their stores for at least the next two weeks, as is upscale department store chain Neighborhood Goods.

In one U.S. survey, 27.5 percent of respondents said they've stopped going to shopping malls, and 58 percent said they will stop if the epidemic worsens.

France has ordered all "non-essential" retail stores to close, permitting only newsstands, pharmacies, and grocery stores to do business.

Italy has ordered all retail businesses closed, exempting only pharmacies and food stores. Retailers and their supply chains make up 12 percent of the country's GDP and 14 percent of its workforce.

Sport shoes. Sport shoe giant Adidas warns the virus outbreak in China could cost it $1.1 billion in first-quarter sales and a $550 million reduction in operating profits. China accounts for 23 percent of Adidas's sales, which were off 85 percent over three weeks in February. As the crisis eases, people will be more interested in restocking their refrigerators than upgrading their sneakers, the company said.

Analyst James Grzinic at Jeffries noted that "the virus hit is worse than feared."

Adidas's shares are down 9.1 percent during the crisis; shoemaker Puma's shares are off 4.5 percent.

Sports television networks. With governments banning public gatherings of any size, sports television networks find themselves without games to broadcast.

In the U.S., Major League Baseball, the National Basketball League, and National Hockey League all have suspended operations.

During 2019's NBA season, television outlets collected $600 million in ad revenues and another $972 million during the playoffs, according to market research firm Kantar.

Cable TV distributors' contracts with some networks require the networks to air a certain minimum number of hours of programming. If they don't, the distributors owe the networks less money, which would add to the sports broadcasters' losses. Under some contracts, networks have to pay distributors if they fail to deliver specified kinds of programming.

Theaters. Europe and Israel have shut down movie houses and live theaters. On New York's "Great White Way," 15 Broadway shows saw their box office receipts drop last week from the week before.

PANDEMIC HIGHLIGHTS U.S. PHARMA'S CHINA DEPENDENCE

China supplies more than 90 percent of the hydrocortisone, antibiotics, and antibiotic ingredients consumed in the U.S. as well as 70 percent of the ibuprofen and large proportions of other drugs and nutritional supplements, according to the Council on Foreign Relations.

The COVID-19 pandemic has stirred concerns about the U.S.'s ability to sustain its pharmaceutical supply in the case of global emergency or worsening relations with China.

"If China shut the door on exports of core components to make our medicines, within months our pharmacy shelves would become bare and our health care system would cease to function," said Rosemary Gibson of the Hastings Center and author of a book on the subject.

That scenario may be tested now. Last week, India, which imports drug ingredients from China and exports finished medicines, ordered its pharma companies to halt exports of 26 drugs and drug ingredients, most of them antibiotics.

Germany, South Korea, Taiwan, and other countries supplying surgical masks and related supplies also are restricting exports to ensure adequate supplies at home.

"The coronavirus shows the importance of bringing all of that manufacturing back to America," Donald Trump said last week.

Some of that manufacturing already has left China. But, it has resettled in countries such as Mexico and Vietnam, where costs are low. Many drugs now being made in the U.S. are still being made from Chinese ingredients.

China has sought to capitalize on the U.S.'s dependence, with Xinhua, the state news agency, declaring that instead of blaming China for starting the coronavirus pandemic, the world should thank it for supplying medicines. If China stopped exporting drugs, it said, "the U.S. would sink into the hell of a novel coronavirus epidemic."

TREND FORECAST: *The United States will attempt to take measures to produce drugs, as they once did, in their homeland. If fact, it will become a political issue as well and part of a platform among the candidates in 2020's Presidential Reality Show®.*

ECONOMIC UPDATE

U.S. MARKETS: U.S.A. LOCKDOWN, GOING DOWN

Last Thursday, the Dow dove 2,350 points, triggering an automatic, 15-minute shut down.

On Friday the 13th, following President Trump declaring a Covid-19 State of Emergency, the Dow Jones Industrial Average snapped back with its greatest point gain since 2008, up 2,710 points.

However, the market closed down almost 9 percent on the week.

Despite the Federal Reserve's surprise interest rate cut on Sunday, dropping rates to zero, there was no confidence on the Street when the markets opened Monday. Trading on the New York exchange was halted briefly after the S&P plunged 7.6 percent.

The NASDAQ shed 970 points to end Monday at 6,904.

The S&P gave up over 4 percent on the day to end at 2,385.

The S&P has dropped 12 percent over the past four weeks, erasing $3 trillion in value in its worst performance since 2011.

The CBOE Volatility Index, which gauges investors' expectations of market turbulence, rose to 62 on 9 March, its highest intraday mark since 2008.

The 10-year treasury note's yield fell to 0.71 percent briefly on Friday, then crept up to 0.99 percent, still in record territory below 1 percent.

Today, treasury yields jumped, with the 10-year U.S. rate breaking back above 1 percent on news of President Trump's announcement of a trillion dollar stimulus plan. The news pushed the Dow up over 1,000 points

Gold closed Friday at $1,529, and it closed today at same price... off about 4 percent as debt-burdened investors sell out of the safe harbor to cover their market losses.

Despite its decline from last week's $1,700 high, gold prices have climbed 10 percent since the first of the year and are up 20 percent over the last 12 months.

TREND FORECAST: *We maintain our forecast that should gold break below $1,450, the bottom is $1,390 per ounce.*

And, it should be noted that when equities were crashing at the onset of the Panic of '08, gold prices did not sharply spike until 2009. Now, as it was back then, desperate stock market players are losing everything they have in equities and are using gold to cover margin calls and other investment losses.

As markets continue to fall and economies crash, we maintain our forecast that when gold prices break above $1,730, they will rapidly spike well above $2,000 per ounce.

Silver prices continue their dive. Since silver is used in industry and the "Greatest Depression" has begun, its price will not climb with gold... until economic conditions considerably deteriorate and people flock to more affordable silver as a safe-haven asset

TREND FORECAST: *With each passing day, with no hard data to support their actions, from presidents to governors to small town mayors, politicians across the nation have declared emergency powers and with each day further lock down the nation.*

Everything from the butcher, the baker, hi-tech, heavy industry, movie theaters restaurants… from schools to the NBA season shutting down… both Main Street and Wall Street are simultaneously crashing.

This has never happened in modern recorded history.

When stock markets crashed in the past, Main Street would be hit by the aftershock.

Therefore, we forecast a long, continual decline of the once overvalued equity markets, since earnings will dramatically fall from the fallout of governments imposing mandated closures of business, events, and gatherings.

THE "GREATEST DEPRESSION" HAS BEGUN.

It will be far worse than the Great Depression.

With gun sales in America suddenly spiking, people sense it.

Crime will dramatically rise.

From dishwashers to wait staff, chefs to restaurant owners… name the industry… from barbers to bank tellers, from concert halls to casinos, with 70 percent of Americans currently unable to pay for a unforeseen $400 expense, how will they pay their rent, phone bill, utilities, gas… when they are out of work and broke?

As Gerald Celente has long noted, "When people lose everything and have nothing left to lose, they lose it." And as the "Greatest Depression" worsens, they will lose it like never seen before in modern history.

Already in a military state of mind, with governors calling in the National Guard, as crime rises, so, too, will police state activities to clamp it down.

THE FED'S MONEY-JUNKIE FIX

As **Trends Journal** subscribers know, for the past year, despite mainstream economic forecasts to the contrary, Gerald Celente had predicted U.S. interest rates would be at negative to zero by October 2020.

Now, in an emergency action to save crashing equities, on Sunday, the Fed cut its interest rate by 100 basis points, leaving the rate to float between zero and 0.25 percent.

Pumping more monetary methadone into the dying investor markets, the Fed also announced an additional $700 billion in "quantitative easing."

The Fed will buy $500 billion in treasury securities and $200 billion in mortgage-backed instruments. It also struck a deal with five other central banks to keep charges low for currency swaps, by which institutions trade currencies of one country for another.

Pledging to keep the cheap money binge flowing, Fed chair Jerome Powell said, "We will maintain the rate at this level until we're confident that the economy has weathered recent events and is on track to achieve our maximum employment and price stability goals."

In the bank's announcement cutting rates, it stated it stands ready to use its "full range of tools to support the flow of credit to households and businesses."

TREND FORECAST: *As covered in previous issues of the* ***Trends Journal****, central banks have long run out of money-pumping tools to boost failing markets and economies. Their monetary methadone injections will not stop them from crashing.*

MNUCHIN WRONG: WORSE THAN ’08 PANIC

On 13 March, U.S. Treasury Secretary Steve Mnuchin said, “There is a lot of liquidity” in the markets and that the current financial panic “isn’t like the financial crisis” of 2008.

Perhaps he was referring to the current panic’s cause as being sparked by a virus rather than financial, as it was 12 years ago.

As we have long noted, however, the overvalued equites were ready to slump last August but were pumped up with $7 trillion of Fed money into repo markets from last September to January, that artificially pumped them up.

As far as the market crashing now vs. back in ’08, there are similarities.

In the month after Panic set in on 15 September 2008, the Dow dropped 21.4 percent.

At the end of 13 March last week, the Dow had dropped 21.5 percent in 30 days.

During the Great Recession, the Federal Reserve kept markets working by making cheap money available to banks. In the 30 months from December 2007 into July 2010, the Fed gave the banksters a $29 trillion bailout.

Now, with markets and the economy in collapse, Washington is calling for a stimulus package in the range of 2009’s $800 billion “Recovery Act,” which propelled equity markets to an 11 year bull run, while median household income in American sank to 1999 lows, when adjusted for inflation.

And, since the Fed began their repo injection in September, they have flooded the market with $9.1 trillion in artificial/cheap money, interposing itself between the markets and financial reality – more than half the total amount it made available during the Great Recession in a fifth of the time.

Last Thursday, the central bank promised $1.5 trillion would be available to trading houses just for the last two trading days of the week.

Mnuchin also urged banks to use the “discount window,” a mechanism by which banks can take short-term loans from the Fed when the banks run low on cash.

But few banks are going to the discount window. The reason: transactions at the discount window are public record, revealing which banks are short of cash.

In contrast, there is no public record of which banks are taking the Fed’s cheap repo loans.

If there were, the public might be able to see which banks are in the most trouble from risky loans or market investments that have now tanked and want to take their money out.

Indeed, deep in trouble, yesterday, bank stocks continued their sharp selloff with Citigroup leading the downward charge, diving nearly 20 percent, followed by Morgan Stanley slumping 15.6 percent and Bank of America and JPMorgan Chase each dropping more than 14 percent.

Also, the Trump administration is pressuring Congress to alter portions of the Dodd-Frank financial reform act so the Fed could channel money to large domestic and foreign banks without disclosing the banks or amounts involved.

TRENDPOST: *While it was applauded by the media, Washington, and Wall Street that the Federal Reserve would inject $1.5 trillion into the short-term money markets to boost the crashing equity markets, never was it noted that this is anathema to capitalism.*

Just as with the “Too Big to Fail” Panic of ’08 scheme that bailed out the failing banks and now the Fed action to bail out Wall Street money junkies, in capitalism, business and investors rise and fall on their own merit.

“By their deeds you shall know them.” Capitalism is dead. Corporatism is alive.

From entrepreneurs to mid-sized businesses, from the store clerks to garage mechanics, the government does not inject pennies into their pocketbooks to keep their business from failing or paying their rent when they are out of work.

TREND FORECAST: *The fallout from lock downs and the closing down of businesses, enforced by federal, state, and local governments to fight the coronavirus, will spike unemployment to deep depression levels.*

With all of the coronavirus coverage, this is barely being reported by the mainstream media or by the governments whose actions will soon cause millions to be out of work.

Instead politicians, media and the general public cheer government actions and ignore those questioning and criticizing them as ineffective, unrequired, and severely damaging to individuals and the economy.

Bankruptcies and credit card/auto loan delinquencies will skyrocket.

U.S. DEFICIT UP, GOING HIGHER

The U.S. annual budget deficit totaled $625 billion during the first five months of the current federal fiscal year, a 15-percent rise compared to the same period in the previous year.

Federal spending was up 9 percent during the period, while government revenue increased 7 percent.

The rising deficit has resulted from increased spending on the military, health care, and Social Security, while the strong revenue gains promised in 2017's tax cuts have failed to materialize.

The government has forecast a $1.08 trillion deficit this year, expanding from $984 billion last year.

TRENDPOST: *Government deficits, be they in America or around the world, are no longer considered detrimental to a nation's economy or its currency. As the "Greatest Depression" drags economies lower and currencies grow weaker, however, the implications will be recognized and gold prices will continue to spike to new highs.*

OIL: PRODUCE MORE MAKE LESS

Although oil prices rose more than 5 percent on Friday after President Trump said the Department of Energy would buy crude to pump into the nation's oil reserves, on the week, oil prices tanked some 24 percent, its deepest price plunge since the 2008 financial crisis.

Yesterday, as the equity market tanked across the globe, WTI fell 9.5 percent to settle at $28.70 per barrel while Brent crude tanked 11.2 percent, settling at $30.05 per barrel, near its lowest level since January 2016.

Even at these low prices, hundreds of small U.S. oil producers, particularly shale-oil companies whose wells are expensive to drill, face a no-win decision: they can shut in their wells, make no income, and wait for higher prices; or keep oil flowing and cash coming in, but lose money on every barrel sold. As we have detailed in the **Trends Journal**, many borrowed heavily to drill the bounteous wells; now those loans are coming due.

About $110 billion worth of the $936 billion in bonded debt owed by U.S. oil and gas producers are trading at yields 10 points or more above those of U.S. Treasury notes. That classifies the bonds as "distressed" – at risk of near-term default.

About $175 billion of the total bond value is rated less than BBB, falling into the category of junk bonds. About two-thirds of these energy-based junk bonds are considered distressed.

With oil futures contracts trading in the $30-per-barrel range, far below the average $55-a-barrel breakeven point for many U.S. shale wells, it is estimated that some 50 percent of publicly-traded shale oil and gas producers will go bankrupt over the next two years as their debt payments become due.

Still, U.S. shale production hit a record high of 13.1 million barrels per day last month and will edge higher as wells now being drilled are completed and producers keep the taps open to maintain cash flow, however small.

Prices plummeted after Russia failed to agree to Saudi Arabia's demand for production cuts to lift prices. The Saudis are expected to boost production and flood the market, driving prices down to force compliance with their wishes for cuts, as they did in 2014.

American producers are in much weaker financial condition today, and many won't be able to endure the effects of the Saudis' move.

TRENDPOST: *The four largest U.S. banks hold $65.5 billion in loans to oil and gas companies, a sector of the economy falling faster than virtually any other. If current oil prices last for more than two weeks, the banks will see a "notable uptick" in losses from these loans, according to analysts at KBW.*

Such loans make up 10 percent or more of portfolios at many U.S. regional banks. Cadence Bancorp, Cullen/Frost Bankers, Texas Capital Bancshares, and BOK Financial, all based in Texas or Oklahoma, have seen their share prices plunge at least 20 percent along with oil prices.

Oil Stains

Russia has signaled it has no interest in rejoining the Saudis. Instead, it's betting that cheap oil will boost demand and soak up excess crude now awash in the market.

While Russia has said it can tolerate today's low oil prices for as long as ten years, they said they must have Brent selling at $42 per barrel to make that call.

Igor Sechin, head of the Rosneft state-owned oil company, has said the previous cuts Russia and Saudi Arabia agreed to are rendered "meaningless" by increased output from U.S. oil producers.

Analysts see Russia's decision as aimed, in part, at the U.S. oil industry. Low prices for a long time could drive a significant amount of American shale oil out of business.

"Now we have a chance not just to produce and sell as much as we need to but to throw American shale overboard," said Dmitry Kiselev, director of Russia's state news agency.

He contended that Russia could withstand low prices longer than Saudi Arabia and noted that Russia has greater foreign currency reserves at $570 billion than Saudi Arabia does with $502 billion.

An OPEC delegate, wishing anonymity, said that Saudi's crown prince thought Russia was bluffing when it balked at cutting production and ultimately would go along.

"That was his gamble and he did not win," the delegate said.

Rosneft stock dropped 22 percent on the London exchange last week. Russia's state-run Gazprom gas company's shares fell 18 percent.

TREND FOREAST: *While the softening oil prices will sink many oil producers, it will also hit real estate prices hard in oil rich/shale rich boom towns that sprung up when U.S. oil production started to rise in 2008, and, over the next seven years, marked the fastest oil production increase in U.S. history.*

TREND FOREAST: *Essentially, there is more oil supply than demand. As we have noted for several weeks, oil prices began to fall before the coronavirus panic made the news, since there was a global slowdown before the virus hit. Thus, with demand falling as global growth dramatically slows, there will be growing civil unrest in oil-rich nations as their economies rapidly decelerate and basic living standards deteriorate.*

Bankster Oil Blues

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CORONAVIRUS “WINNERS” AND LOSERS

“Survival Mode” Lifts Sales, Share Prices

Consumers hunkering down at home to wait out the COVID-19 scare are boosting sales and share prices for companies making and selling canned food, toilet paper, survival gear, and video games.

Clorox, which makes disinfectant wipes, has seen its share price gain 7 percent. Video game maker Electronic Arts’ stock price has edged up 0.4 percent. Kroger, which owns grocery and convenience stores, has risen 19 percent in market value since the Dow’s February peak.

Campbell Soup Co. has led the gainers with its best performance in 20 years. On 26 February, shares shot up 10 percent in one day.

Pharma giants Gilead and Pfizer have gained value as investors look to them to develop and market coronavirus tests and cures.

Stock Buybacks a Virus Victim

U.S. corporations have used an estimated $1 trillion of 2017's federal tax cut to buy back their own stock, pushing prices higher. The amount they spent in 2019 alone was about $780 billion, one of the main sources of money pumping up stock markets.

The combination of the global economic slowdown and the virus epidemic has ended that buying spree.
Companies have planned about $122 billion in buybacks through February, according to analytical firm Birinyi Associates, down 50 percent from the same period a year earlier and the slowest pace since the cut took effect.

Dow Jones estimates that buybacks were down 18 percent during 2019's final quarter.

So far this year, companies that have been among the biggest buyers of their own stocks have underperformed. The Invesco Buyback Achievers ETF lost 16 percent recently, while the S&P overall lost only half that during the same time.

In contrast, some corporations see the market crash as a buying opportunity.

AT&T has announced it will spend an additional $4 billion to take its shares off the market. Hilton Worldwide is adding $2 billion of its own stock to its holdings.

Apple still has to complete a planned $58 billion in self-stock purchases. Union Pacific has yet to complete a $24-billion buyback, and Intel's $23-billion purchase is still pending.

TREND FORECAST: *For the foreseeable future, the great stock buy-back craze – which, by reducing the total number of shares outstanding, potentially boosts stock prices as demand outstrips supply – has ended.*

Indeed, last Sunday, major banks such as JPMorgan Chase, Bank of America, Citigroup, Morgan Stanley, Wells Fargo, and Goldman Sachs said in a statement that because of coronavirus hit on the markets, they would stop stock buybacks through the second quarter of the year.

Since the start of the year, Citi shares have fallen more than 36 percent, while JPMorgan and Morgan Stanley are both down more than 25 percent.

CENTRAL BANKSTERS RUNNING DRY

After refusing at its 12 March meeting to cut interest rates deeper into negative numbers, the European Central Bank (ECB), has few tools left to keep propping up the Eurozone's economy.

ECB president Christine Lagarde admitted the negative interest rates "have significantly reduced the scope" to cut rates deeper.

Even if the bank were to further cut rates, the effect would be "quite meager," said Vitor Constancio, former vice president of the ECB.

The continent's bank regulators have delayed 2020's stress test and eased capital reserve rules, so banks could let out more money into Europe's flagging economy.

Some economists think the ECB might cut rates again now that the euro has gained value recently, making the continent's exports more expensive around the world.

Many policymakers, however, adamantly oppose deeper cuts, arguing they would do little good while jeopardizing the soundness of European banks even more than the negative rates already have.

Instead of cuts, the ECB will lower other rates for commercial banks, initiate a new program of cheap loans to banks, and expand its own bond-buying spree by an additional €120 billion.

In announcing the measures, Lagarde sparked a bond sell-off when she said it's not the central bank's business to react to movements in the government bonds market.

She has expressed frustration that the ECB continues to be seen as the chief defender of Europe’s economic well-being and is seeking to galvanize national leaders to do more.

CENTRAL BANKS GRASPING FOR LEVERAGE

The world’s central banks are casting about for ways to ease their countries’ economic crises. A growing number feel that, at this point, lower interest rates won’t make much difference to their nation’s economies and might create harm. They lack other tools, beyond bond-buying and quantitative easing, however, to ease the crisis.

So the rate cuts and easing continue.

The Bank of Canada beat the Fed by cutting its rate Friday from 1.25 percent to 0.75, the second emergency cut in two weeks.

The Bank of England also lowered its rate by 50 basis points last week, with incoming bank governor Andrew Bailey pledging the bank will take “prompt action again.”

On Monday, South Korea cut its interest rate by 50 basis points to 0.75 percent.

The Reserve Bank of New Zealand joined rate-cutters on Monday, dropping its key rate from 1.00 to 0.25 percent and guaranteed rates will stay in that area for at least one year.

Kuwait’s bank shaved 100 basis points from its rate on Monday and the United Arab Emirates dropped its rate by 75 basis points.

The Bank of Sri Lanka took 25 basis points off its key rate Monday, bringing it down to 7.25 percent.

India’s central bank says it will consider a rate cut next month.

China's central bank has funneled another 100 billion yuan into the markets in the form of one-year loans but left its key interest rate unchanged at 3.15 percent.

The Bank of Japan also refused to alter its interest rate on Monday but doubled the value of its purchase of exchange-traded funds to ¥12 trillion. It also launched a loan program for businesses hit especially hard by the virus crisis.

The Reserve Bank of Australia didn’t cut its rate but extended its quantitative easing program by flooding the country’s markets with Au$8.8 billion in cash last Friday.

The Bank of Israel will purchase government bonds for the first time since 2009.

EUROPE: MONEY PUMPING 2020

Governments across Europe are putting together bailouts for industries and workers harmed by the coronavirus’s economic shutdown.

Germany’s government announced a plan to help suffering businesses and will make investments totaling €12.4 billion. The plan will make cash available to strapped businesses and pay workers for a short while in some jobs.

The Bank of England cut its benchmark interest rate from 0.75 percent to 0.25 percent as part of the country’s rescue plan, its first cut since 2016. The bank also has underwritten an initiative enabling lenders to make up to £300 billion in new loans to businesses.

The cut is part of a joint plan with the British treasury department, which has earmarked as much as £30 billion in business relief. The bank and Boris Johnson administration will steer the economy "in concert" using "timely and powerful" measures, said Mark Carney, the bank's governor.

Italian prime minister Giuseppe Conte said his government will "use all human and economic resources" to contain the virus and keep the economy alive.

Italy, at the center of Europe's virus plague, has made investors so nervous that interest rates on the country's 10-year bonds moved two points higher than those of Germany, the greatest distance between the two since August 2019.

Bruno Le Maire, France's finance minister, has called for a "strong, massive, and coordinated response from Europe to avoid the risk of an economic crisis after the epidemic." He said the virus epidemic could drop France's growth rate this year from its projected 1.3 percent to less than 1.

NATION ON LOCKDOWN, MARKETS ON MELTDOWN

Spain's stock market lost 14 percent of its value on Friday, capping a record one-month fall of more than 30 percent.

The government has seized the authority to regulate the prices of medical products, is making €2.8 billion available to regional health authorities to fight the coronavirus outbreak, and is taking €1 billion from its contingency fund to help cover the costs.

The government also is giving self-employed persons and small and medium-size businesses a six-month tax holiday, valued at €14 billion.

Prime minister Pedro Sánchez, who has called an national emergency and essentially put the nation in lockdown, called on the country's bickering parliament to pass a unity budget addressing the virus crisis and suggested that greater economy stimulus measures may be needed.

TREND FORECAST: *As we forecast last September, when the ECB cut its main deposit rate by 10 basis points to -0.5 percent and began a new quantitative easing program of buying 20 billion euros per month of asset purchases, it would do next to nothing to boost economic growth. Indeed, last quarter 2019 Eurozone growth was 0.1 percent.*

While there will be strong pushes by EU governments to increase stimulus, as nations have now begun following the coronavirus outbreak, considering the economic fallout from locked down economies and diving equity markets, neither stimulus or lower rates will boost growth.

Also, real estate values, which have spiked in major cities since 2008, will sharply fall.

CHINA DOWN

China's exports to the U.S. dropped by 28 percent in dollar value and 17.2 percent worldwide in January and February.

China imported 4 percent less overall during those two months, although imports from the U.S. rose 2.5 percent.

As China's industrial output plunged at the sharpest pace in 30 years, down 13.5 percent in the first two months of the year, it recorded a trade deficit of $7.1 billion.

Fixed asset investment fell 24.5 percent year-on-year, while the private sector investment dove 26.4 percent from a year earlier.

Retail sales shrank 20.5 percent year-on-year as the coronavirus had consumers either in quarantine or staying away from shopping malls, restaurants, and movie theatres.

As the virus spread, China's jobless rate rose to 6.2 percent in February, compared with 5.2 percent in December.

More than 2,000 of China's roughly 2,550 companies involved in foreign trade are back at work. Less than a third of small and medium-size businesses, however, which employ more than 80 percent of China's manufacturing workforce, are up to full working capacity.

The global market meltdown and coronavirus spread will decrease demand for Chinese exports. Thus, there will be less need for China to import parts or raw materials from other countries, which in turn is dragging down commodity prices such copper, which China imports some 50 percent of world production.

TREND FORECAST: *The virus outbreak has cast doubt on China's ability to fulfill its pledge to buy an additional $200 billion of U.S. exports this year.*

While China has cut several key interest rates since late January and another reduction in its lending benchmark rate is expected this week, rate cuts, as evidenced by those taken by central banks globally, will do little to stimulate economic growth.

Furthermore, as its economy severely retracts, we forecast increased civil unrest throughout the nation.

LEBANON DEFAULTS

After seeing its foreign currency reserve plunge to an all-time low, Lebanon failed to repay a $1.2-billion Eurobond that was due on 9 March.

It was the first time Lebanon has defaulted on a foreign debt.

The Banque du Liban, Lebanon's central bank, reports it has about $29 billion in foreign currency. Ratings agency Fitch estimates it owes almost twice that to overseas creditors.

But usable foreign currency is no more than $4 billion. The rest is on deposit from commercial banks or is already pledged to the country's banks to help them cover their commitments to foreign partners.

Sami Atallah, director of the Lebanese Centre for Policy Studies, said it would be "suicidal" for Lebanon to pay foreign creditors when government finances are in such bad condition. Atallah said, "The banks have been depleted or are bankrupt."

Last October, lenders set strictures on bank accounts that bans sending funds abroad and restricts cash withdrawals to as little as $200 every two weeks.

"How can we pay foreign creditors when the Lebanese can't access their deposits?" said prime minister Hassan Diab in an address to the nation. He also announced a restructuring of the nation's banking sector.

Attempting to quell fears that depositors will lose their money or be forced to bail out banks, Hassan said his government will "endeavor to protect" them.

Lebanon's government debt is about $90 billion, or 170 percent of the country's GDP.

TRENDPOST: *We have been reporting on the Lebanese demonstrations that erupted last October as citizens took to the streets protesting income inequality, government corruption, and the lack of basic living standards.*

One of our 2020 Top Trends was "New World Disorder," as demonstrators around the world were rallying against establishment governments and fighting for basic living standards.

Since the outbreak of COVID-19, from Hong Kong to South Africa, many governments have effectively banned protests by forbidding more than a small number of people to gather.

BEAR VANQUISHES BULL

Major sectors of the U.S. and world economies are now in a bear market, defined as a 20-percent drop from recent highs.

As of 13 March, financial, industrial, materials, and information tech stocks were, in order, down 27 percent, 23 percent, 21 percent, and 20 percent from the top of their recent runs.

The Dow has fallen more than 30 percent after flirting with the 30,000 mark on 13 March and the S&P index is down about a third from that date as of Monday's close.

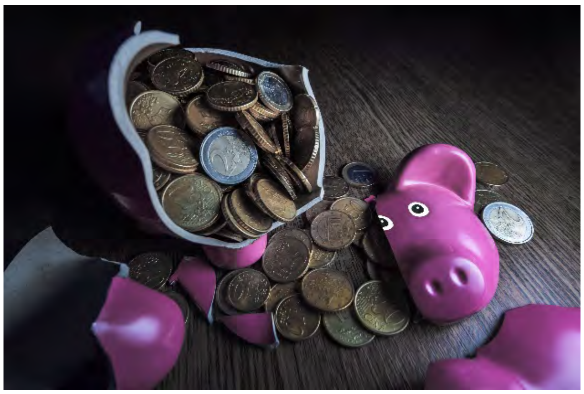
The strongest market sectors have been consumer staples, down only 9.2 percent on 13 March from its February high, and utilities, having lost 11 percent.

The Russell 2000 Index, which tracks smaller U.S. companies, also went bearish on 10 March, down almost a third after topping above 1,700 on 16 January. It closed last week at 1,200 and ended Monday at 1,037.

Europe's big stock exchanges also traded bulls for bears on 10 March, including France's CAC-40, the German DAX, and the UK's FTSE 100. The Europe-wide Stoxx 600 has given up a quarter of its value since its 19 February high of 434. It closed last week at 300 and Monday at 285.

Goldman Sachs agrees that “after 11 years, 13 percent annualized earnings growth, and 16 percent annualized trough-to-peak appreciation,” the bull market is over or soon will be. The bank believes the market will resume its upward arc later this year.

BANKS ON THE BRINK



Banks face a triple threat: excruciatingly low interest rates; recently stiffened regulations about lending criteria and cash reserves; and the virus epidemic that is slashing business borrowers’ cash flow and threatens their ability to make loan payments.

U.S. banks gain about two-thirds of their revenue from charging interest on loans and securities. Those interest rates are tied to benchmarks set by the Fed. As the Fed cuts rates, banks lose income.

A 1-percent cut in interest rates costs Bank of America about $6.54 billion or 7 percent of its 2020 income, according to an estimate by Credit Suisse.

Many large banks also have partnerships with airlines to help expand credit card revenue… but the virus has now shut off large segments of the travel industry.

TRENDPOST: *As the world’s economy shuts down and people have no income, more will fail to keep up payments on their mortgages, car loans, and credit cards, pinching banks’ revenues even more.*

Even when economies recover from shock, consumers tend to spend less. That means fewer credit card charges banks can collect for restaurants, vacations, and non-essentials, thus putting more downward pressure on bank earnings.

Big and Cheap

Normally, big banks can offset low interest rates with income from credit cards or by trading in stocks or bonds. But bond yields have dropped and borrowers – both businesses and credit card holders – are piling on debt at a time when many are facing reduced incomes.

Mergers and acquisitions, another key source of bank income, have fallen 28 percent in number compared to the first quarter of 2019.

The Euro Stoxx Bank Index fell 13 percent and the KBW US Bank Index gave up 11 percent the same day.

France's Natixis and Crédit Agricole banks, with a larger portfolio of energy industry loans, lost 18 and 17 percent, respectively.

French giant Société Générale lost 18 percent. Share prices of Italy's Unicredit and Intesa Sanpaolo shrank by 13 and 12 percent.

Italy, where Europe's virus outbreak is currently the most intense, has locked down 16 million people across 14 provinces. The lack of commerce threatens to reawaken a crisis of failed loans that the country's banking industry has struggled for years to correct.

Energy loans have become many banks' biggest concern.

The four largest U.S. banks hold $65.5 billion in loans to oil and gas companies, a sector of the economy falling faster than virtually any other. If current oil prices last for more than two weeks, the banks will see a "notable uptick" in losses from these loans, according to analysts at KBW.

Such loans make up 10 percent or more of portfolios at many U.S. regional banks. Cadence Bancorp, Cullen/Frost Bankers, Texas Capital Bancshares, and BOK Financial, all based in Texas or Oklahoma, have seen their share prices plunge at least 20 percent along with oil prices.

"There is unmitigated selling" of bank stocks "if you have Texas in your name or energy [loans] in your portfolio," said analyst Brad Milsaps at Piper Sandler.

Analysts looked for silver linings. Kian Abhouhossein at JPMorgan noted that prices were down only to 2016 levels and "European bank losses were manageable over that period."

"Most banks have cut energy exposure dramatically since the last energy shock and have been tightening underwriting standards for quite some time," said Anton Schutz at Medon Capital, which manages portfolios of bank stocks.

EUROPE, CHINA BRACE FOR WAVE OF DEFAULTS

Businesses other than financial institutions owe about $13.5 trillion in bonded debt, according to the Organization for Economic Cooperation and Development. As the virus-induced panic stymies commerce, many of those debtors are at greater risk of not being able to repay what they owe.

Much of that debt was incurred to fund expansions while interest rates were at rock bottom. The financial viability of those expansions are now jeopardized by the global economic contraction.

The International Monetary Fund recently warned that an economic crisis only half as severe as 2008's Great Recession could put 40 percent of that debt at risk.

The iTraxx Crossover Index, which measures the perceived risk of loan defaults by European companies with sketchy credit, rose 100 basis points in three days last week to 380, its highest score since 2016.

The rise makes it more expensive for banks and other corporate bondholders to buy insurance against these debtors defaulting on their loans.

With lenders flocking to U.S. Treasury notes and other highly rated bonds, there also will be fewer buyers willing to help high-risk companies roll over their debts, which add to the risk of a default wave.

Meanwhile, Chinese property developers have $20 billion in dollar-denominated bonds coming due this year, according to data from Idealogic.

The country's developers hold about $185 billion worth of that kind of debt.

Missed payments on the bonds have been rare and outright defaults even rarer.

TREND FORECAST: *With home sales falling and the coronavirus epidemic drying up many sources of new loans, prepare for defaults by Chinese developers who can't find buyers for properties or lenders to refinance their loans.*

The real estate prices that have skyrocketed in China following the Great Recession will rapidly reverse as the effects of the "Greatest Depression" drag down its economy.

EMERGING MARKETS

Since the virus outbreak, investment managers seeking to minimize risk have been dumping their holdings of stocks and bonds in emerging economies.

Foreign investors have shed $47.1 billion of the instruments since 21 January, twice as much as immediately following the market crash that launched the Great Recession in 2008.

TREND FORECAST: *Violence and protests will escalate in Emerging Market nations as they submerge deeper into the "Greatest Depression."*

With nothing left to lose, the already impoverished people will lose it.